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ABSTRACT

A questionnaire was distributed to 1,305 companies to study the basic skills training provided. Of 62 responses, 41 companies had basic skills training programs. Respondents represented these types of companies: communications and utilities, finance and insurance, manufacturing, wholesalers, retailers, health and hospitals, and mining, and had from 140 to 200,000 employees. Company size and the number of employees in basic skills training were not consistently related. Most employees in basic skills programs were there as new employees, for career advancement, or for retraining. About 19 percent of all employees in the study were in training; 13 percent of them were studying basic skills and represented 2.4 percent of all employees in the study. A typical employee spent 51 hours per year on basic skills training. Employees of 28 companies were seen as unqualified for training groups because of basic skills deficiencies. Most companies (85 percent) reported in-house training arrangements. The basic skills needed for entry-level employment were reading, math, oral communications, writing, workplace skills, and problem solving. Costs were paid by the company budget, tuition refund, direct payment, charging the function to operating expenses, or charging administrative overhead. Training costs devoted to basic skills varied from 4 percent to 70 percent. (YLB)

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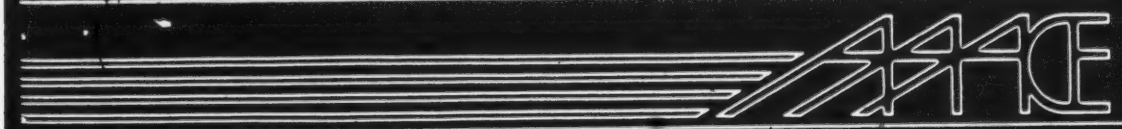

• American Association for Adult and Continuing Education •

PRIVATE SECTOR PROVIDERS OF BASIC SKILLS TRAINING IN THE WORKPLACE

A Study of the General Training and Basic Skills Responses of Randomly Selected Companies Which Provide Basic Skills Training to Their Employees

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PRIVATE SECTOR PROVIDERS OF BASIC SKILLS TRAINING IN THE WORKPLACE

The questionnaire, "Private Sector Providers of Basic Skills Support Programs in the Workplace", was distributed to a total of 1,305 companies, as follows:

500 to the national ASTD-HRD Manager's List
250 to the Kentucky ASTD list
200 to the Massachusetts ASTD list
175 to selected book publishers
20 to selected advertising agencies
30 to selected financial industry trainers
30 to selected life insurance companies
100 to AAACE miscellaneous list

There were 62 responses of which 41 have basic skills training programs. This was a 4.8 percent response. The responses were high quality, filled out thoroughly and thoughtfully, providing useful data.

Obviously a high number of companies that responded--66 percent--provide basic skills training to entry-level employees.

But there is no evidence that these responses are representative of a cross-section of employers. The sample was unscientific and not necessarily statistically representative of the entire employer spectrum. In addition, the instrument was developed by a disparate group over time -- and was not field-tested. In the context of known inconsistencies of employer-provided training costs, the cost data may not be conclusive.

It is the data from the 41 companies that are reported in this study. Of these companies. 30--or 73 percent--were reporting company-wide. Five reported on a division only. Others reported on corporate personnel, the home office, a particular plant, or the Board of Directors.

States represented include California, Colorado, Connecticut, Georgia, Illinois, Indiana, Massachusetts, Minnesota, Mississippi, New York, New Jersey, Ohio, Oregon, Tennessee, West Virginia, and Wisconsin. A large majority--just over 58 percent--came from the northeastern triangle of New York, New Jersey, Massachusetts and Connecticut.

There was 12 respondents from communications and utilities (CU) of which six were book publishers, one a broadcaster and one an advertising agency; eleven from finance and insurance (FI); ten from manufacturing (MAN); one wholesaler (W); two retailers (RE); four from health and hospitals (HH); and one mining (M) company.

Respondent companies ranged in size from just under 200,000 employees down to 140. The book publishers--with the exception of an industry giant--had the fewest employees, numbering 1,800 or less. But there was no consistent relationship between the size of the company and the number of employees in basic skills training or even in training. The largest respondent company--a retailer with 196,000 employees--had 10,000 in basic skills training or 5 percent of its workforce. (The total in training was not enumerated.) But the next largest, a communications company with 180,000 employees, had 313 employees in basic skills training--far less than 1 percent, while 62,500 employees--just about 1/3 of the total--were in other training. The book publishers, with far fewer employees, had, progressively, one, three, seven, 12 and 14 percent of employees in basic skills training. Finance and insurance were also high basic skills trainers.

For most respondents, employees in basic skills programs were there as new employees, for career advancement and for retraining for different jobs. Fifteen of the respondents were retraining employees for new technology and seven specifically mentioned that the basic skills training was intended to improve performance or enhance skills for current jobs.

The following table shows these data by state and type of company:

State	Company Type	Number of Employees			Employees in Basic Skills Training		
		Total	In all Training	In Basic Skills Training	New Employees	Training/ Career Advance	Retraining/Different Jobs
NY	CU	21,000	2,500	600	120	450	30
NJ	CU	NA	NA	200	NA	NA	NA
NY	CU	24,000	6,000	100	NA	NA	NA
CT	CU	180,000	62,500	313	281	13	13
NJ	CU	13,500	1,700	300	Yes	NA	NA
CT	FI	40,000	20,000	2,700	Yes	Yes	NA
NY	FI	10,600	3,000	2,000	Yes	Yes	Yes
CO	FI	NA	114	NA	NA	NA	NA
NJ	FI	3,500	200	500	50	300	50
MA	FI	6,300	2,500	800	NA	NA	NA
MN	FI	1,150	1,950	320	460	230	239
NY	FI	214	5,500	NA	NA	Yes	Yes
NJ	FI	2,800	450	150	50	150	NA
MA	FI	1,500	300	25	7	12	20
CT	FI	10,000	3,000	350	100	50	50
OR	FI	5,750	2,750	1,750	1,750	NA	NA
GA	MAN	1,950	1,950	106	0	106	0
MI	MAN	89,000	NA	NA	NA	NA	NA
WV	MAN	800	200	100	NA	52	100
MI	MAN	4,000	NA	10	NA	NA	NA
MA	MAN	1,350	750	750	NA	NA	NA
CA	MAN	14,000	9,000	2,000	1,000	500	500
MA	MAN	10,000	3,000	375	0	35	35
MA	MAN	30,000	NA	35	NA	35	NA
OH	MAN	23,000	2,875	805	161	80	483
NJ	MAN	160,000	80,000	1,600	400	NA	400
NY	MI	175,000	NA	NA	NA	NA	NA
IL	W	17,000	200	15	5	NA	NA
NY	RE	196,000	NA	10,000	5,000	2,000	3,000
OH	RE	1,500	1,300	NA	NA	NA	NA
IN	HH	NA	0	300	100	200	60
MA	HH	1,200	450	400	60	90	10
TN	HH	76,000	400	50	NA	Yes	Yes
IN	HH	1,450	1,450	20	Yes	Yes	Yes
NY	CU	750	6	6	Yes	Yes	NA
TN	CU	1,800	2,643	21	NA	NA	NA
NY	CU	14,477	3,000	1,000	NA	Yes	NA
NY	CU	140	NA	17	1	3	8
NJ	CU	170	7	25	NA	25	5
TN	CU	1,450	NA	NA	NA	NA	NA
WI	CU	1,300	300	40	NA	Yes	Yes
TOTAL		1,142,651	219,995	27,785			

The number of basic skills trainers working full-time and part-time ranged from a high 50 in the largest company responding to a single trainer in one of the medical centers and an assignment combined with other responsibilities in a communications employer. The average number of basic skills trainers per company in the study was 7.3.

About 19 percent of all employees in the study are in training. Of those in training, 13 percent are studying basic skills. Those in basic skills training represent 2.4 percent of all employees in the study.

While a few employers said their typical employee spends as much as 400 company hours and/or 166 of their own in basic skills training, the average number of hours--company and own time--spent per year on basic skills training by a typical employee in companies which reported this item was 51.

All but three banking, two communications and one wholesaler said their entry-level employees can access training for more sophisticated jobs in their companies. But of the 41 employers, 28 said their employees were unqualified for training opportunities because of basic skills deficiencies, with 16 saying there were "many" and three saying there were "a few." Twenty-three companies include threshold training* in their training plans to bring employees up to speed in math/arithmetic (specifically fractions), writing, word formation, grammer, editing/proofreading, reading comprehension, library skills, science, problem-solving, terminology, oral and communications skills, phone manners, office dress/demeanor/procedure. Predominant problems mentioned were math, reading and writing.

Either self-motivation (34 mentions), supervisor-suggestion (29 mentions), or peer-suggestion (14 mentions) prompted employees to seek or get basic skills training while only 12 companies mandated it. These totals are duplicated because respondents could check more than one answer.

Most, 85 percent of the companies (35) reported in-house training arrangement, with 33 reporting on-shift and/or company-paid and nine off-shift or shared. Only six of these said their employees must attend, while 14 said employees were referred but were volunteers. Almost half--19 companies--reported that training took place in the community. Of these programs, four were tuition reimbursement plans, one cost-shared, and in nine the company paid. Seven of these programs were school-based, nine college-based, and six run by private trainers.

There was unanimity among respondents on the six basic skills needed for entry-level employment with:

22 respondents listing reading
20 respondents listing math
17 respondents listing oral communications
16 respondents listing writing
15 respondents listing workplace skills
11 respondents listing problem-solving

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*Threshold training is training that takes place before a formal training program to bring students to the minimal competence level needed for the formal course.

These totals are duplicated because respondents could check more than one answer. One employer suggested his entry-level employees need science skills; another, typing, proofreading and copy-editing skills.

Among math competencies were listed translating, reading and typing numbers, simple arithmetic on a calculator, basic or simple computation, business math, fractions, compiling and/or calculating statistical information.

The reading competence mentioned most frequently was reading manuals (8), signs and/or labels (6). Understanding instructions, letters and memos took second place (3).

Writing competencies included, most importantly, completing job applications (4). Thereafter--with one mention each--came writing forms, inventory counts, job lists, letters, memos, messages, observations, records, reports and summaries.

Oral communications competencies included customer relations skills (3), interview and telephone know-how (2), ability to communicate with peers and supervisors (2), ability to paraphrase (1), understanding verbal directions (1), a minimal English knowledge (1).

Among problem-solving competencies were negotiating skills, understanding directions, following instructions, knowing priorities, working without close supervision. One employer did not "expect" entry-level employees to be problem-solvers.

Three respondents listed attendance and punctuality as important "workplace skills." Another listed telling time. Others listed customer relations, typing and spelling, typing and filing, using a calculator, knowing telephone and office procedures. Still others suggested "workplace skills" include knowing how to dress, knowing "where to report for an interview or catch a bus," demonstrating "work skills" or "appropriate work and positive coping behavior," "interacting positively with supervisor."

Four employers pointed to high school education and/or equivalency in answering the competency items.

Only a few measures were reported. In order of mention, they are:

Observation	12
On-the job performance/observation/evaluation	9
Test, written or oral	9
Interview	7
Pass threshold and/or pre-employment training	2
Application Review	1
30-day probation period	1

A number of companies responded to one or more of the cost questions. Of the 41, 26 respondents reported that basic skills training is an item in the company budget; four said it is not; and four said "it is and it isn't." Other ways of paying included tuition refund and direct payment, charging the function to operating expenses, charging administrative overhead. One respondent called it the "cost of doing business." In two cases, companies allowed each operating company or division to allocate its own funds for training.

Sixteen of the respondents gave approximate annual costs of all direct training and basic skills training, enabling us, in the case of 15 of these, to seek a pattern by calculating the percentage of training budget devoted to basic skills. None was forthcoming. The percentage of training costs devoted to basic skills varied from four percent in the case of a respondent which was a wholesaler and five percent for one of the communications/utilities respondents all the way up to 70 percent by a health and 66 2/3 percent by a financial respondent. An average of $1,236 per employee was spent by these 15 companies on all training, and an average of $376 per employee was spent on basic skills training. Of the $118 million spent by the 15 companies on all training, just under three percent or about $3.4 million was spent on basic skills training.

These percentages reflect considerable spending on training and basic skills training for varied size and type companies, as shown in the table below:

State	Company Type	Number of Employees	Number of Employees In All Training	Cost of All Training	Number of Employees in Basic Skills Training	Cost of Basic Skills Training
NY	CU	21,000	2,500	$ 2,000,000	600	$500,000
NY	CU	24,000	6,000	5,000,000	100	25,000
CT	CU	180,000	62,000	101,000,000	313	500,000
NY	FI	10,600	3,000	300,000	2,000	199,800
MA	FI	6,300	2,500	1,200,000	800	180,000
NJ	FI	2,800	450	160,000	150	30,000
OR	FI	5,750	2,750	2,500,000	1,750	750,000
GA	MAN	1,950	1,950	1,000,000	106	500,000
WV	MAN	800	200	550,000	100	100,000
CA	MAN	14,000	9,000	1,500,000	2,000	300,000
MA	MAN	10,000	3,000	1,800,000	375	100,000
IL	W	17,000	200	250,000	15	10,000
IN	HH	NA	NA	200,000	300	140,000
MA	HH	1,200	450	400,000	400	53,500
IN	HH	1,450	1,450	141,000	20	8,750
TOTAL		547,300	95,450	$118,001,000	9,029	$3,396,250

Four other companies divulged their total training budgets but their basic skills training costs were not segregated. They spent $33 million and $1.8 million in the case of two insurance companies; $2 million for a financial organization and $30 million (including wages) for a retailer.

Additionally, an insurance company listed its basic skills training costs at $250,000 and a publisher said its were $3,500.

A half page was left on each questionnaire for remarks and/or program descriptions. All but three respondents had comments and all of these revealed well-constructed, well-designed, systematic programs fully the equal of school-based equivalents. Training appeared to be reality-based, geared to employer needs. A number of respondents mentioned on-the-job-training. Many used audio and video and/or computer programming for training, much of which was self-paced and individualized. Where formal courses were mentioned, class-size was small. One respondent reported that the company provided "only one-to-one tutoring in basic skills. Group classes are not used because most participants are reluctant to be identified as a person lacking basic skills."

All in all, there seemed to be wide and deep interest in basic skills training amongst respondents. Further study should be made to check out these data with a larger and more systematic sample of companies.

Meanwhile, credit for this phase of the study goes to the following for distributing questionnaires to their own particular lists of contacts:

Robert Craig, American Society of Training and Development
Iris Elfinbein and Stanley Karson of the American Council of Life Insurance and the Health Insurance Association
Gloria Lanza, American Association of Advertising Agencies
William McVey, Scott Foresman & Company
Linda Stoker, Polaroid
William Wilson, Kentucky Educational Television

In addition, Linda Stoker of Polaroid received the responses and did a preliminary count of their contents.